GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:83
ANSWERED ON:26.02.2007
NOTICES ISSUED TO DRUG COMPANIES
Mehta Shri Bhubneshwar Prasad

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether drug companies are overcharging the patients for drugs;

(b) if so, the details of overcharging notices issued by the National Pharmaceutical Pricing Authority (NPPA) to various drug companies during the last three years and the current financial year;

(c) the amount of liability to each company;

(d) the details of the cases settled, pending and the amount recovered during the said period; and

(e) the steps taken by the Government to recover the remaining amount?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF PARTLIAMENTARY AFFAIRS (SHRI B.K. HANDIQUE)

(a) to (e): National Pharmaceutical Pricing Authority (NPPA) regularly takes action against pharma companies who do not implement the prices fixed/notified by NPPA under the provisions of Drugs (Prices Control) Order, 1995 (DPCO,95) and this is a continuous and ongoing process. Since, inception in Aug` 1997, NPPA has raised a total demand of Rs.738.15 crores for recovery towards overcharged amount in 397 cases, under the provisions of DPCO` 1995 read with Essential Commodities Act`1955. NPPA has recovered Rs.99.99 crores (upto 31.12.06) from the defaulting companies. NPPA continues to take appropriate action regularly for recovery of the overcharged amount. In some cases the recovery is affected due to orders from the Hon`ble High Courts and Hon`ble Supreme Court of India and cases presently subjudice in Courts.